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TAGS: PREL PTER MASS EAID PREF ASEC IN NP SUBJECT: SHYAM SARAN "SPEAKS FROM THE HEART" ON NEPAL

REF: NEW DELHT 6002

Classified By: PolCouns Geoffrey Pyatt, Reasons 1.4 (B,D).

(C) Summary: Speaking informally at a just-concluded track-II conference on Nepal, Foreign Secretary Shyam Saran argued that New Delhi and Kathmandu must work more closely together to defeat the Maoists, that Nepalese mistrust of India is misplaced, and that economic development could help Nepal overcome the insurgency, according to MEA Undersecretary (Nepal) Manu Mahawar. Mahawar predicted that King Gyanendra would visit New Delhi, probably during the latter part of December, and indicated that the GOI would use that opportunity to encourage the King not to curtail Prime Minister Deuba's authority. This comes against a growing expectation in Indian non-governmental circles that PM Deuba's days are numbered. Mahawar noted that 160 Nepalese police officers had just completed training in Hyderabad, and said another 300 officers would enter the pilot program in mid-December under India's new police training initiative. New Delhi remains concerned about the nexus between anti-India insurgent groups and Nepalese Maoists, he emphasized. End Summarv.

Shyam Saran "Speaks From the Heart"

- (C) Foreign Secretary Shyam Saran "spoke from the heart" on the need to defeat the Maoist insurgency when he inaugurated a December 5-6 track-II conference on Nepal, ME. Undersecretary (Nepal) Manu Mahawar told Poloff on December 17. Mahawar described the Foreign Secretary's comments as his personal views, but said the remarks were "completely consistent" with the official GOI line. He attributed this consistency to Saran's significant role in the formulation of India's policy toward Nepal.
- (C) According to Mahawar, Saran outlined a four point approach to dealing with the Maoists:
- -- India and Nepal must coordinate more closely in order to resolve the Maoist problem;
- -- The Maoists must understand that they cannot win militarily and that the longer they avoid negotiations, the weaker their bargaining power will become. This requires sustained military pressure on the Maoists, and concrete military successes by the Royal Nepal Army (RNA);
- -- The Palace and the political parties must put aside their differences, and present a united front to the Maoists;
- -- Development is one means of overcoming the Maoist threat. Kathmandu should "hitch itself" to India's economy in order to promote economic growth.

According to Indian media reports, Saran also argued that Nepalese mistrust of India is misplaced and that Nepal should view India as an ally in the fight against the Maoists. A December 6 "Hindustan Times" article reported that Saran urged the inclusion of "progressive" Maoists into the mainstream.

(C) Conference participants included journalists and academics from India, as well as representatives from major Nepalese political parties, including the UML and Nepali Congress Party. "Foreign participants" were not allowed to

King Still Expected in New Delhi

- 15. (C) Although the dates have yet to be finalized, the MEA still expects a visit of King Gyanendra to New Delhi, probably sometime in the latter half of December. Mahawar speculated that the GOI would emphasize the need for unity between the Palace and the political parties, further encourage the King not to undermine the Prime Minister, highlight the need for Nepalese security forces to be more effective against the Maoists. It would be "regressive" if the King weakened PM Deuba's authority, he observed, arguing that a change in PM would only exacerbate the situation.
- 16. (C) The King's expected visit comes against a growing feeling in New Delhi-based non-governmental circles that PM Deuba's days are numbered. According to Jawaharlal Nehru

University Professor SD Muni, Deuba's removal is "inevitable." He predicted that Deuba would not be removed from office until after the January 13th deadline for the Maoists to come to the negotiating table, and speculated that Deuba set the deadline to buy himself time. The MEA's Mahawar also noted a high degree of skepticism surrounding the King's intentions toward Deuba by participants in the track-II conference.

## Police Training In Progress

17. (C) Offering an update on Nepal's police training project in Hyderabad (reftel), Mahawar reported that the first batch of 160 officers had graduated from the program on December 2, after ten weeks of training. The second batch of 300 officers is scheduled to begin training the third week of December, he said. Once the second batch graduates, the GOI will evaluate the program before deciding whether to continue the project, now in its pilot phase.

## Working Together to Strengthen the Border

18. (C) Echoing more senior Indian officials, Mahawar expressed concern about the recent creation of the Communist Party of India (Maoist) -- formed from the merger anti-India People's War Group and Maoist Communist Centre -- alleging that Nepalese Maoists had facilitated the merger. He underlined GOI concerns over organizations such as the Coordinating Committee of Maoists Partners and Organizations in South Asia (CCOMPOSA), that promote links between insurgent factions, and claimed that nearly one-fourth of the country is affected by such groups. Seventy-five districts are "severely affected," he stated, adding that both India and Nepal were deploying troops to "sensitive areas" along the border in an effort to strengthen security there.